



Energy Portfolio Weekly Report

Week commencing: 07/10/2024

Priority: Medium

Security classification: In Confidence

Tracking number: BRIEFING-REQ-0004274

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Sharon Corbett
Acting General Manager
Energy Markets Branch

Ministry of Business, Innovation and Employment

Privacy of natural persons

4 October 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
11:30 am – 12:30 pm Monday 7 October 2024**


Item	Subject	People	Oral Item / Paper #	Action Required
1.	Smart EV Charging	Peter Bartlett Scott Russell	Paper 2425-0677	Discussion
2.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
3.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
4.	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]	[REDACTED]
5.	Weekly Report & Work Programme	Minister	Oral	Discussion
6.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Sharon Corbett	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
Gareth Wilson	Strategic Advisor, Electricity Markets Policy
Osmond Borthwick	Strategic Advisor, Electricity Markets Policy
Michael Thomson	Senior Policy Advisor, Offshore Renewable Energy and Hydrogen

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Fast-Track Consenting Regime</p> <p>Francis Van Der Krogt <small>Privacy of natural persons</small></p>	<p>On 26 September, the Environment Committee completed its consideration of the revised-tracked version of the Fast-Track Bill. This version of the Bill gives effect to the proposals in the Departmental Report. Confidential advice to Government</p> <p>[Redacted]</p> <p>Ministers will announce listed projects on Sunday 6 October.</p>
<p>Expanding the voltage range</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>We are currently completing Ministerial and Departmental consultation on the discussion document and Cabinet paper. Confidential advice to Government</p> <p>[Redacted]</p>
<p>Hazards from trees</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>The Cabinet paper for Phase 1 amendments (to make modifications to the ‘clear to sky’ growth limit zone and extend the notice zone by 1 metre) have been Gazetted (19 September) and will come into force on 17 October. We have been engaging with stakeholders to ensure they are aware that the Phase 1 amendments have been completed.</p> <p>We provided you with a draft cabinet paper on Phase 2 on 30 September 2024, for your approval to go to Ministerial consultation. Confidential advice to Government</p> <p>[Redacted]</p>
<p>Government Policy Statement on Electricity</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>We understand that Cabinet, on 23 September, authorised you to issue an Electricity Government Policy Statement (GPS). We await your instructions on when to notify the GPS in the Gazette.</p>
<p>Proposed review of electricity market performance</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>On 18 September we provided your office revised draft terms of reference for the proposed review, reflecting feedback we received earlier that week from your office and Hon Jones’ office. We await further feedback before providing you and Hon Jones a draft Cabinet paper seeking approval to establish the review.</p>

Title	Comment
<p data-bbox="108 185 300 282">Regional Investment Fund (RIF) – Energy</p> <p data-bbox="108 300 245 344">Scott Russell <small>Privacy of natural persons</small></p>	<p data-bbox="363 181 895 219">Confidential advice to Government</p> 

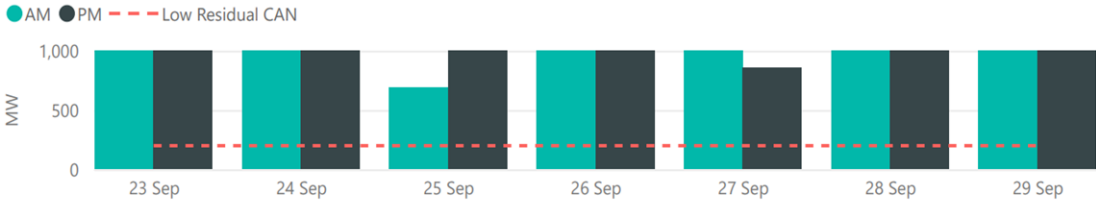
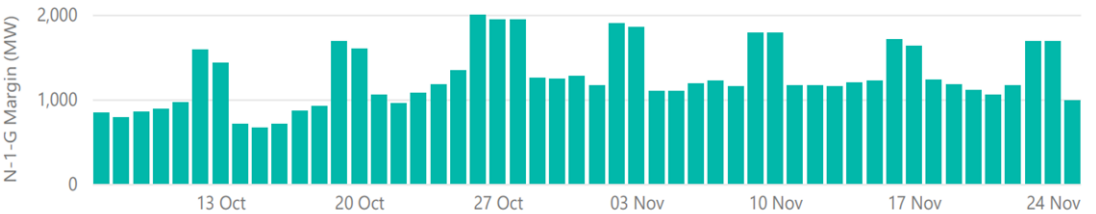
Stakeholder Updates

Title	Comment
<p>Genesis Energy investment in ChargeNet</p> <p>Peter Bartlett <small>Privacy of natural persons</small></p>	<p>Genesis Energy will acquire a 65% stake in EV charging company ChargeNet for \$64 million, which includes a significant investment into the business to fund its near-term growth. Genesis aims to achieve a 30% market share in EV customers by the 2028 financial year. The additional funding will help ChargeNet accelerate network its expansion and scale operations – they have indicated this will double their pace of installations.</p> <p>Genesis says it sees strong potential in the New Zealand EV market, expecting EV ownership to ramp up to more than 25% within the next eight years. They say “rapid charging infrastructure is crucial for this transition and Genesis’ investment will accelerate a faster nationwide rollout, increase access for customers and drive value for shareholders”.</p>
<p>Meeting with Genesis Energy on Biomass at Huntly</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>MBIE Energy, MFE and NZTE officials met with Genesis to discuss their progress toward using biomass at Huntly instead of coal. They have publicly stated that they intend to utilise 300,000 tonnes of torrefied wood pellets at Huntly by 2028. Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Genesis Hot-Water flex trial</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>Officials met Genesis Energy to understand more about their current Hot Water Flex trial. Genesis aims to bring 8,000 – 10,000 of their customers that are already signed up to a controlled retail plan, onto a trial platform where Genesis controls their hot water to manage / avoid peak load throughout the day. Commercial Information</p> <p>[Redacted]</p> <p>The trial will inform how they might develop future offerings for consumers with controllable hot water.</p>

Current appointments

Confidential advice to Government

Other Updates

Title	Comment
<p>Mid-point review of LFC phase-out</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>We met with Sense Partners to discuss the results of the analysis it is undertaking as part of the mid-point review of the phase-out of the LFC regulations. Sense Partners advised of a slight delay to finalising its analysis while it waits on further retail tariff data from Mercury. We do not expect this to impact the overall project timeline. We are also continuing to assess other information provided by stakeholders, in particular focusing on innovation being enabled by the phase-out.</p>
<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>NZ Energy Corp (NZEK) started drilling operations on its Tariki-5 well on 30 September 2024. The well is expected to take 27 days to drill with target completion of 26 October 2024. Genesis Energy has contracted with NZEK for Tariki-5 gas.</p>
<p>Electricity security of supply</p> <p>John McCabe <small>Privacy of natural persons</small></p>	<p>ELECTRICITY SUPPLY RELIABILITY (for the week to 2 October 2024)</p> <p>There was an unplanned outage on Alpine Energy’s Tekapo-Timaru line after wires were severed by a crop-dusting helicopter on Monday. Around 3,500 households were affected and without power overnight. Power has been restored to affected customers.</p> <p>ELECTRICITY CAPACITY (for the week to Sunday 29 September 2024)</p> <p>Residual generation margins remained healthy last week, with most above 1000MW, and a minimum residual of 689 MW on Wednesday morning.</p> <p>Residuals for week to 29 September 2024 were above the preferred 200MW threshold:</p> <p>Lowest Residual Points - MW</p>  <p>Source: System Operator, Market Operations - Weekly Market Movements</p> <p>Forecast N-1-G margins are currently healthy for October and November. Within seven days these are monitored more closely through the market schedules.</p> <p>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to end of November 2024:</p> <p>NZGB Look-Ahead (excluding next 7 days)</p>  <p>Source: System Operator, Market Operations - Weekly Market Movements</p> <p>ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for week to 29 September 2024)</p> <p>National hydro storage has increased by 4% to 109% of average for this time of year. South Island storage increased from to 107% to 112% of its historical mean, while North Island storage increased from 90% to 92%.</p>

ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE

Wednesday 2 October 2024

UPSTREAM

Water

Hydro system storage
Pukaki - Meridian
Manapouri - Meridian
Tekapo - Genesis
Hawea - Contact
Taupo - Mercury

% LT avg
% full
% full
% full
% full
% full

	Last	Δ	Previous	Change	1 Day	1 Week
	Daily					
Hydro system storage	109.1%	▼	109.4%	-0.3%	-0.3%	+3.3%
Pukaki - Meridian	44.5%	▲	43.9%	+0.6%	+0.6%	+4.0%
Manapouri - Meridian	153.9%	▼	160.6%	-6.7%	-6.7%	-20.5%
Tekapo - Genesis	45.7%	▼	46.8%	-1.1%	-1.1%	-15.0%
Hawea - Contact	48.8%	▲	48.3%	+0.5%	+0.5%	+5.5%
Taupo - Mercury	57.1%	▼	57.9%	-0.8%	-0.8%	-1.5%

Source: Enerlytica

ELECTRICITY ('ENERGY') SUPPLY RISK (at 29 September 2024)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk

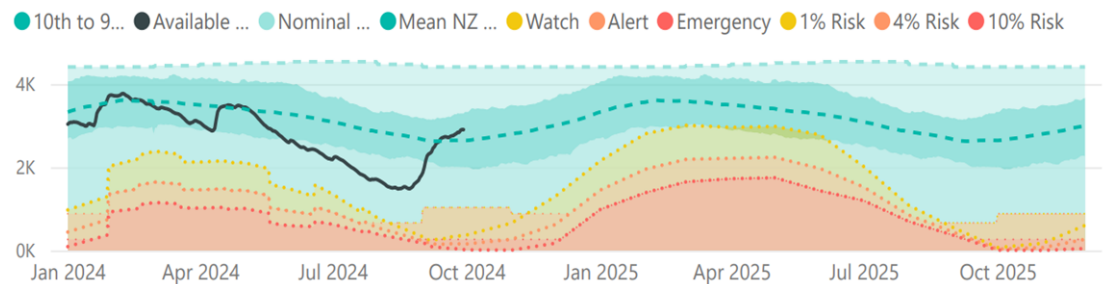
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is above average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)



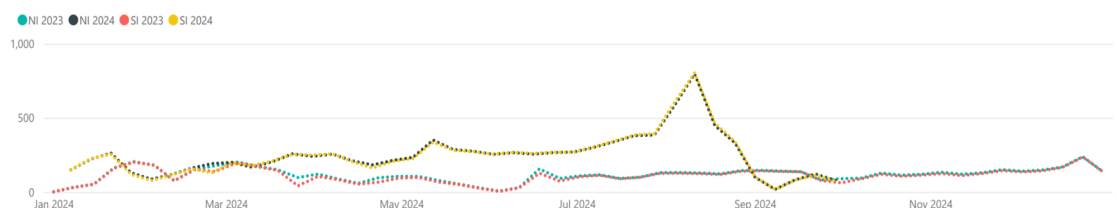
Source: System Operator, Market Operations - Weekly Market Movements

The Security of Supply risks for 2025 remain concerning with 43 Simulated Storage Trajectories (SSTs) crossing into Watch status and six into Alert. This reflects further constrained gas production, expected return of gas to the petrochemical sector, the announced retirement of TCC and the largest Tiwai demand response products not being available in consecutive years after being called on this year.

WHOLESALE ELECTRICITY PRICES

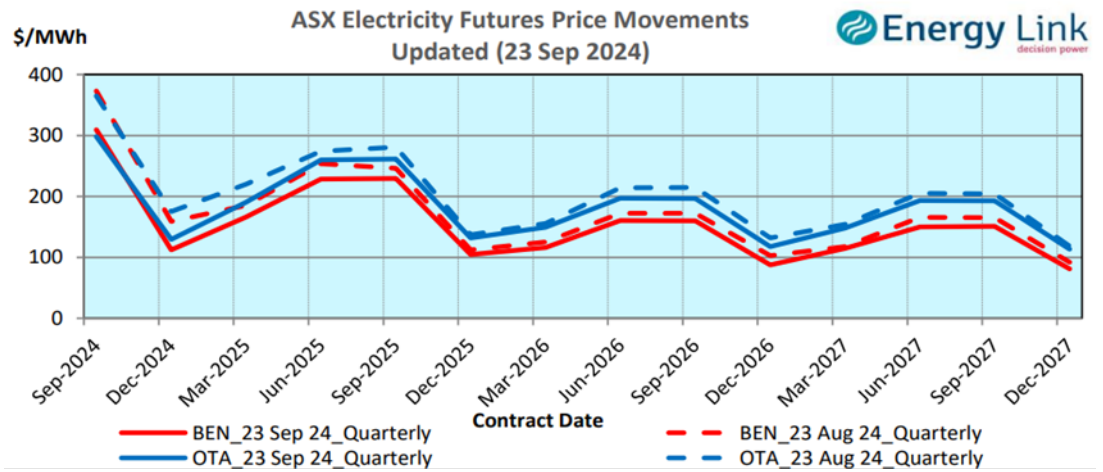
Weekly Spot Price (week ended 29 September 2024)

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 23 September 2024)

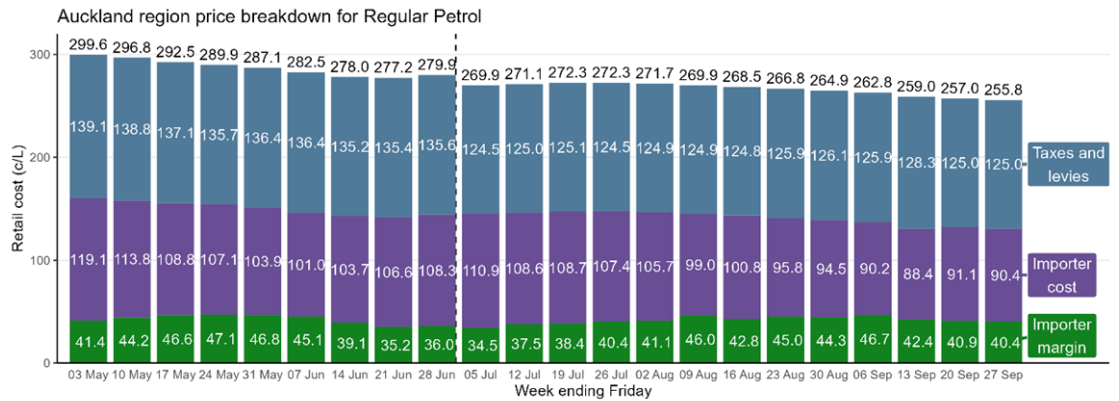


Source: Energy Link, Energy Trendz Weekly

Monitoring the removal of the Auckland Regional Fuel Tax

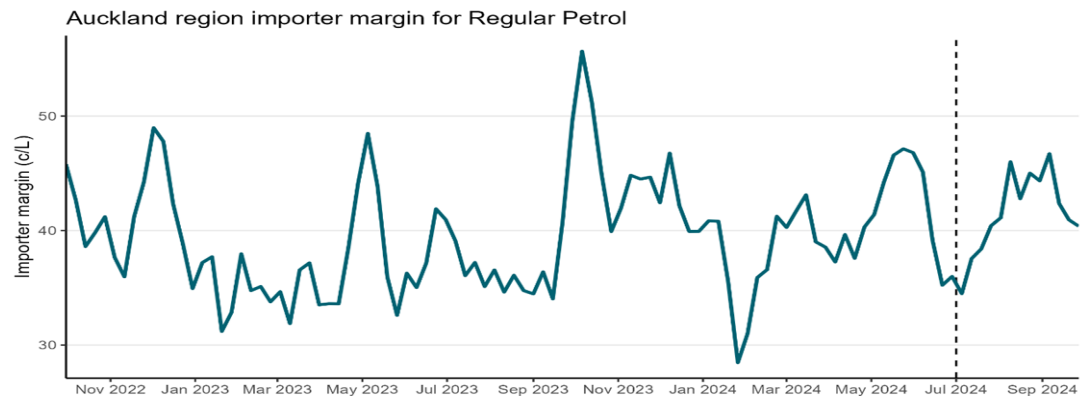
Maria Botes
Privacy of natural persons

In the week ending 27 September, retail prices decreased 1.3 c/L for regular petrol, while importer margins decreased 0.6 c/L to 40.4 c/L. International crude oil prices remain low, resulting in low importer costs.



The graph above shows the median discounted retail price for regular petrol in the Auckland region each week from May 2024. This price is broken down into importer cost (how much it costs to buy the fuel and ship it to New Zealand), taxes and levies (including the ARFT, ETS, and GST), and importer margin (the gross margin applied to these costs by fuel importers). The importer margin covers distribution and retail costs as well as profit margins.

Importer margins for regular petrol in the Auckland region over the past two years are shown below. The dashed line shows the removal of the Auckland Regional Fuel Tax.



We have previously communicated that we would cease reporting on fuel margins in Auckland in September. However, given your recent interest, we will continue reporting on fuel margins in Auckland until the end of October.

<p>Release of monthly gas production figures for August 2024</p> <p>Amapola Generosa <small>Privacy of natural persons</small></p>	<p>We will be publishing the August 2024 update of our monthly oil and gas production data on the MBIE website on Thursday 10 October. This shows that net production of natural gas in August 2024 was 10.34 PJ, down 0.5% on July 2024 levels (10.39 PJ). While this is down 21% on August 2023 net production (13.11 PJ), it is similar to what has been seen in the monthly data for the year to date.</p> <p>We publish this data regularly, on the second Thursday of each month. The next release will be on Thursday 14 November 2024. Data for a given month is available 6 weeks after month-end. This data gives a more comprehensive view of gas production than other public sources (such as what is published on the Gas Industry Company’s website) as we collect data from all gas field operators in New Zealand and can capture information on gas that is delivered through private pipelines.</p>
<p>Ara Ake event on CCUS</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>On Tuesday 1 October 2024, MBIE Officials attended a Carbon Capture, Utilisation and Storage event ('The Carbon Challenge'), hosted by Ara Ake in Wellington. The purpose of the event was to bring together industry and potential users of CCUS, technology providers, government and academia/research to work together to understand and solve the challenges of deploying CCUS technology. MBIE provided an update on the Government's work to create an enabling regulatory framework for CCUS, as part of a session on regulatory enablement.</p> <p>The event also included a closed workshop for industry and innovators to clearly identify specific challenges to their uptake of CCUS, and formulate specific actions that can be put to government and others to address. Ara Ake held a similar event for electricity distribution businesses (EDBs) that directly resulted in eight EDBs committing to pilot projects with innovators to resolve challenges relating to demand forecasting and connecting distributed energy resources.</p>

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Monday 7 October 2024 9:30 am – 10:30 am	Meeting with Meridian	Briefing Due: 3 October 2024
Friday 11 October 2024 12:15 pm – 1:15 pm	Meeting with Drive Electric Board members and e-mobility stakeholders	Briefing Due: 9 October 2024

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Project:	Energy content for ERP2	
Early Oct 2024	Briefing	Confidential advice to Government
Project:	Gas Security Response Group	
Confidential advice to Government		
Project:	Electricity Hazards from Trees regulations	
Confidential advice to Government		
Project:	Fuel Security Study & Fuel security plan	
Confidential advice to Government		
Project:	Minimum stockholding obligations	
s 9(2)(f)(iv)		
		Confidential advice to Government
Project:	Fast track legislation	
Mid-October	Briefing and draft Cabinet paper	Seek agreement to Amendment Paper to the Fast-Track Bill (policy changes and listed projects).
Project:	Electrify NZ	
10 October 2024	Briefing	Policy decisions on changes to RMA national direction for electricity generation and transmission.

Project:	Electrify NZ: RMA legislative reform	
Confidential advice to Government		
Project:	Electrify NZ: National direction package	
s 9(2)(f)(iv)		
Project:	Offshore Renewable Energy - Bill	
Confidential advice to Government		
Project:	Offshore Renewable Energy - Regulations	
w/c 14 October	Briefing and Cabinet paper	Offshore Renewable Energy – Cost recovery – approval to consult
s 9(2)(f)(iv)		
Project:	Review of phase-out of LFC regulations	
Confidential advice to Government		
Project:	Delivery of energy funds	
October 2024	Briefing	Community Renewable Energy Fund – seeking approval to proceed with resilience work programme
Project:	Hydrogen	
Confidential advice to Government		
Projects:	Further briefings (not shown on the Ministerial Priorities Output Plan A3)	
07 October 2024	Briefing	2024 October Baseline Update Submission – Vote Business, Science and Innovation – Energy Portfolio
Confidential advice to Government		
10 October 2024	Cabinet paper	Lodge Cabinet Paper to update standards references in Electricity and Gas Safety Regulations for consideration by ECO on 16 October
10 October 2024	Briefing	Hydro Storage Lakes Further Advice

w/c 15 October 2024	Briefing	Confidential advice to Government
Confidential advice to Government		

3. Written Parliamentary Questions

None this week.

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
7 October 2024	SB24-1054	Privacy of natural persons	Concerns over power companies wanting to replace meters
8 October 2024	SB24-1076		Importance of solar power energy in New Zealand
8 October 2024	SB24-1078		Energy cost impact on competitiveness of local manufacturing
9 October 2024	SB24-1090		Reversing the oil and gas ban
10 October 2024	SB24-1095		Marlborough Lines – network owner, fees and charges
15 October 2024	SB24-1112		Energy Security and Resilience in New Zealand
15 October 2024	SB24-1117		Tradesmen and solar panels
15 October 2024	SB24-1118		Reinstatement of low energy tariff
15 October 2024	SB24-1125		Energy hardship
16 October 2024	SB24-1130		Solar Stations
16 October 2024	SB24-1138		Electricity prices and Electricity Kiwi Task Force
16 October 2024	SB24-1154		New independent generator on the current electricity market performance review initiative
17 October 2024	SB24-1149		Electricity prices and their impact on industry
17 October 2024	SB24-1150		Reinstatement of low energy tariff
17 October 2024	SB24-1151		Power Crisis
18 October 2024	SB24-1152	Auckland fuel tax	

5. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
9 October 2024	OIA24-377	Privacy of natural persons	Conversations, texts, emails, advice on what the government was considering in terms of intervention for the mills run by Winstone International.	Initiation	John McCabe
10 October 2024	OIA24-380		Any emails, meeting notes, text messages or other written correspondence from the Minister of Climate Change or his office, to the Minister of Transport or his office, that relate to the Government Policy Statement on land transport 2024/25, the 2024–27 National Land Transport Programme, the Emissions Trading Scheme and/or the draft Second Emissions Reduction Plan.	Initiation	Scott Russell
14 October 2024	OIA24-384		Please provide copies of all briefings and advice you have received on domestic solar pv generation since you became Minister of Energy. This includes verbal briefings and advice as well as those in writing or electronic form.	Initiation	Scott Russell
16 October 2024	OIA24-389		I request a list of any written advice you or your Office received in your Transport and Energy portfolios between 29 August and today, if any, listed by agency, title and date received.	Initiation	John McCabe
17 October 2024	OIA24-390		All correspondence since 22 August 2024 between the Minister for Energy and Methanex.	Initiation	Dominic Kebbell
23 October 2024	OIA24-322		Copies of documents	Initiation	Scott Russell

6. Departmental Official Information Act Requests

None this week.

7. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 14/10/2024

Priority: Medium

Security classification: In Confidence

Tracking number: BRIEFING-REQ-0004887

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Sharon Corbett
Acting General Manager
Energy Markets Branch

Ministry of Business, Innovation and Employment

Privacy of natural persons

11 October 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
5:00 pm – 5:30 pm Monday 14 October 2024**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
2.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
3.	Weekly Report & Work Programme	Minister	Oral	Discussion
4.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Rebecca Heerdegen	Policy Director, Energy Markets
Jamie Kerr	Chief Advisor Climate

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>New permitting regime for offshore renewable energy</p> <p>Melanee Beatson <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>[Redacted]</p>
<p>Fast-Track Consenting Regime</p> <p>Francis Van Der Krogt <small>Privacy of natural persons</small></p>	<p>The Environment Committee is preparing its commentary on the Bill and will report back to the House on 18 October 2024.</p> <p>The Ministry for the Environment will make a proactive release of MfE papers shortly after the Committee’s report. We will ensure your office is consulted.</p> <p>Last Sunday, the Government announced the projects it intends to list in the Fast-track Bill and notified all applicants. The Government intends to release the Fast-track Advisory Group report shortly.</p> <p>Confidential advice to Government</p> <p>[Redacted]</p>
<p>Expanding the voltage range</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>Ministerial and departmental consultation has been completed on the discussion document and Cabinet paper. The paper will be considered by ECO on 23 October 2024.</p>
<p>Consumer Data Right for Electricity</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>Submissions on the public consultation closed on Thursday 10 October 2024. At the time of writing MBIE had received nearly 30 submissions. We will report to you on submissions shortly.</p>

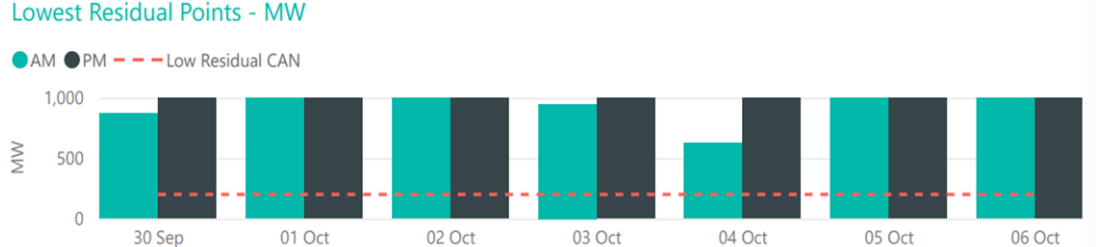
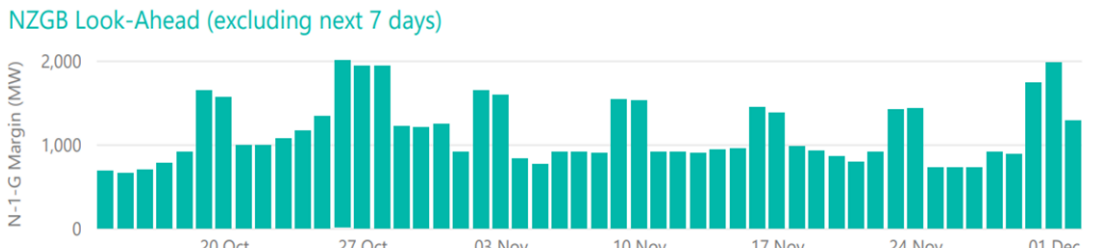
Stakeholder Updates

Title	Comment
<p data-bbox="108 248 277 309">Gas security of supply</p> <p data-bbox="108 331 288 371">Dominic Kebbell</p> <p data-bbox="108 353 245 389"><small>Privacy of natural persons</small></p>	<p data-bbox="363 248 916 277">Meeting with Master Plumbers New Zealand</p> <p data-bbox="363 300 1477 472">On 10 October 2024 we met with Master Plumbers New Zealand to discuss difficulties residential customers are experiencing getting new gas connections. Master Plumbers advised that the recent actions of some gas retailers to limit new gas connections is having a similar impact to a ban on new connections. They noted that the uncertainty about new gas connections is causing increased costs and delays for new housing developments.</p> <p data-bbox="363 495 1426 595">We are getting further information about the scale of the impact on new housing developments. We will meet again with Master Plumbers on 16 October 2024 to further discuss their view on potential solutions.</p>

Current appointments

Confidential advice to Government

Other Updates

Title	Comment
<p>Electricity Authority's Risk Management Review</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>The Authority has shared a draft paper on its initial findings from its Risk Management Review. We are reviewing the analysis and findings in this paper and will provide comments to the Authority. The paper will be considered by the Authority's Board on 15 October 2024. If approved by the Board, we expect that paper will be published by the end of the month. The Authority will provide you with a final version of the paper before it is publicly released.</p>
<p>Mid-point review of the LFC phase-out</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>As signalled in last week's update, we are waiting for additional retail tariff data from Mercury before the quantitative analysis of changes to retail pricing as a result of the LFC phase-out can be finalised. We are expecting this to be provided by Friday, 11 October 2024. The quantitative analysis is a key input into our final report. While this is an unexpected delay, we do not expect it to impact the overall project timeline.</p>
<p>Electricity security of supply</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>ELECTRICITY CAPACITY (for the week to Sunday 6 October 2024)</p> <p>Residual generation margins remained healthy last week with a minimum residual of 626 MW during the Friday morning peak.</p> <p>Residuals for week to 6 October 2024 were above the preferred 200MW threshold.</p> <p>Lowest Residual Points - MW</p>  <p>Source: System Operator, Market Operations - Weekly Market Movements</p> <p>Forecast N-1-G margins are currently healthy.</p> <p>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to end of November 2024:</p> <p>NZGB Look-Ahead (excluding next 7 days)</p>  <p>Source: System Operator, Market Operations - Weekly Market Movements</p> <p>ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 6 October 2024)</p> <p>National hydro storage has increased by 1% to 111% of average for this time of year. South Island storage remained at 112% of its historical mean, while North Island storage increased from 92% to 102%.</p>

ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE

Wednesday 9 October 2024

UPSTREAM

Water

	% LT avg					
Hydro system storage	% LT avg	110.4%	▲	110.0%	+0.4%	+0.4%
Pukaki - Meridian	% full	49.4%	▲	48.8%	+0.6%	+4.9%
Manapouri - Meridian	% full	140.6%	▲	133.9%	+6.7%	-13.3%
Tekapo - Genesis	% full	52.5%	▲	50.2%	+2.3%	+6.8%
Hawea - Contact	% full	57.3%	▲	55.9%	+1.4%	+8.5%
Taupo - Mercury	% full	70.7%	▲	69.3%	+1.4%	+13.6%

	Last	Δ	Previous	Change	1 Day	1 Week
Daily						
Hydro system storage	110.4%	▲	110.0%	+0.4%	+0.4%	+0.9%
Pukaki - Meridian	49.4%	▲	48.8%	+0.6%	+0.6%	+4.9%
Manapouri - Meridian	140.6%	▲	133.9%	+6.7%	+6.7%	-13.3%
Tekapo - Genesis	52.5%	▲	50.2%	+2.3%	+2.3%	+6.8%
Hawea - Contact	57.3%	▲	55.9%	+1.4%	+1.4%	+8.5%
Taupo - Mercury	70.7%	▲	69.3%	+1.4%	+1.4%	+13.6%

Source: Enerlytica

ELECTRICITY ('ENERGY') SUPPLY RISK (at 6 October 2024)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk



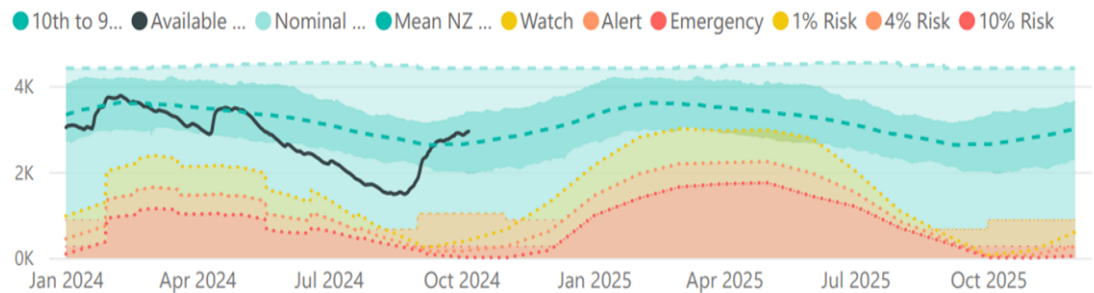
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is above average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)

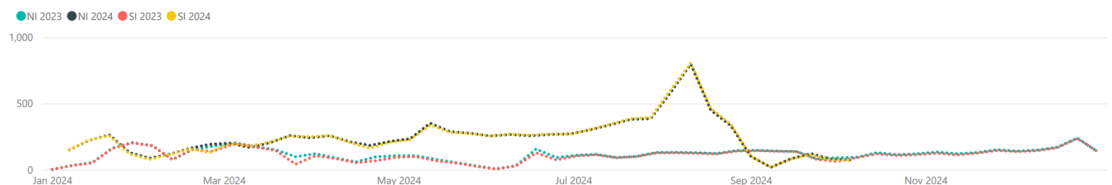


Source: System Operator, Market Operations - Weekly Market Movements

WHOLESALE ELECTRICITY PRICES

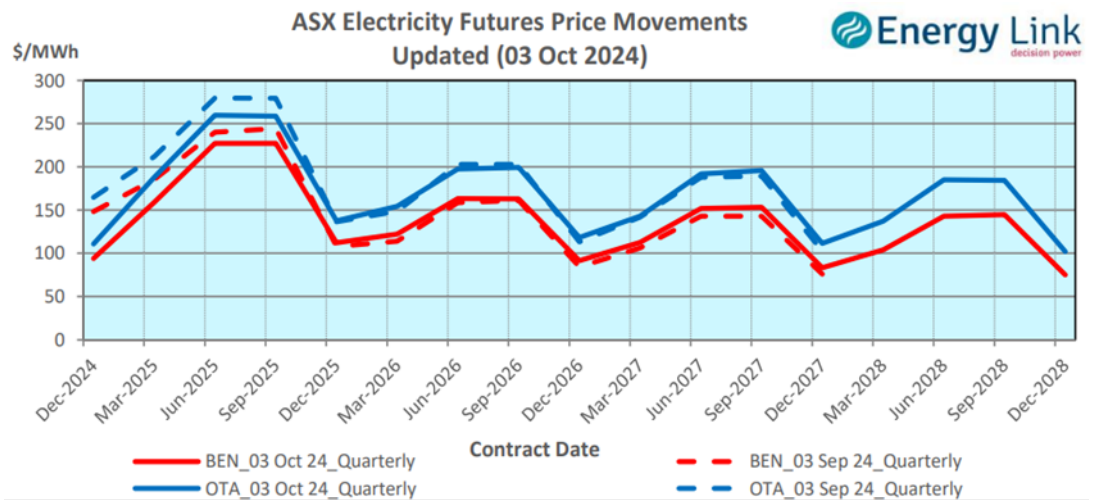
Weekly Spot Price (week ended 6 October 2024)

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 3 October 2024)



Source: Energy Link, Energy Trendz Weekly

Fuel margins and monitoring the removal of the Auckland Regional Fuel Tax

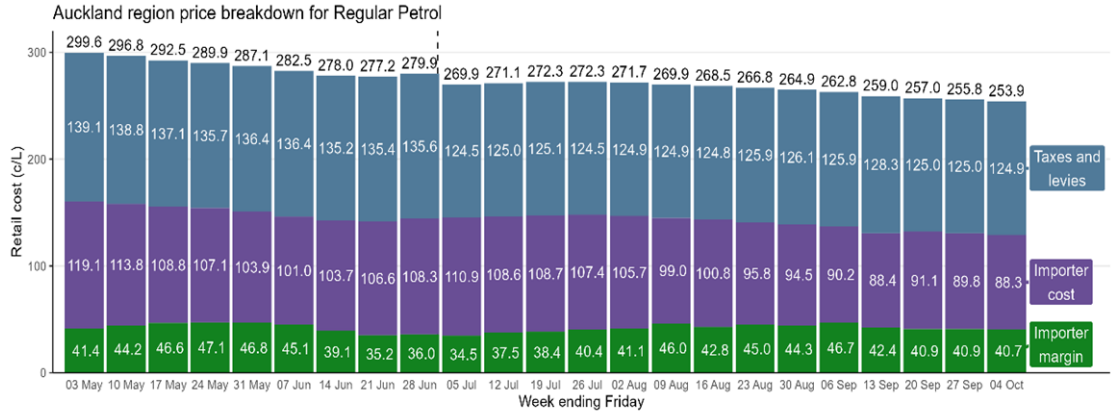
Maria Botes
 Privacy of natural persons

You have asked for ongoing reporting of both Auckland and nation-wide fuel margins, this is shown below.

You have also asked for an explanation of why fuel margins move around. We will provide this explanation in next week's report, together with a summary of the feedback we have received from the fuel companies.

Auckland fuel margins

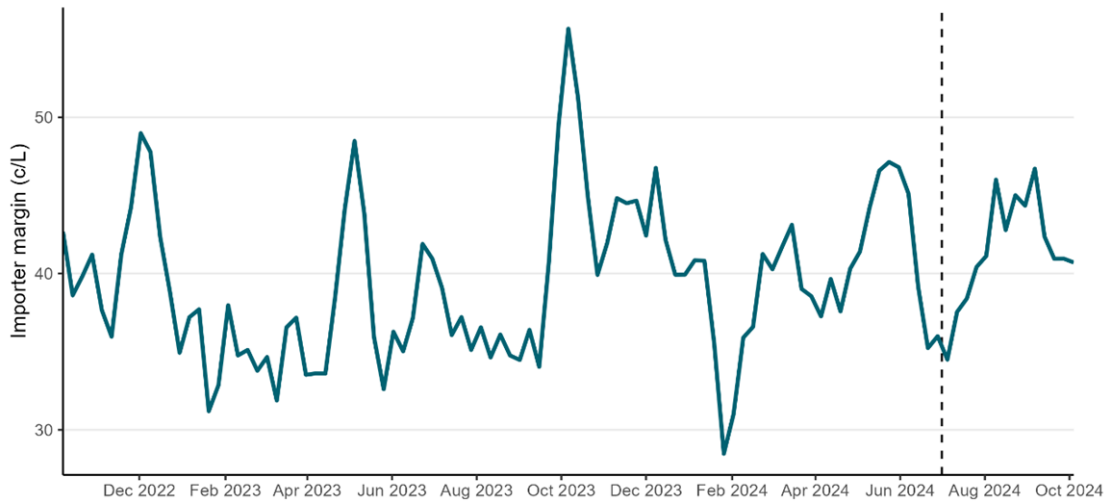
In the week ending 4 October, retail prices decreased 1.9 c/L for regular petrol, while importer margins decreased 0.2 c/L to 40.7 c/L. International crude oil prices remain low, resulting in low importer costs.



The graph above shows the median discounted retail price for regular petrol in the Auckland region each week from May 2024. This price is broken down into importer cost (how much it costs to buy the fuel and ship it to New Zealand), taxes and levies (including the ARFT, ETS, and GST), and importer margin (the gross margin applied to these costs by fuel importers). The importer margin covers distribution and retail costs as well as profit margins.

Importer margins for regular petrol in the Auckland region over the past two years are shown below. The dashed line shows the removal of the Auckland Regional Fuel Tax.

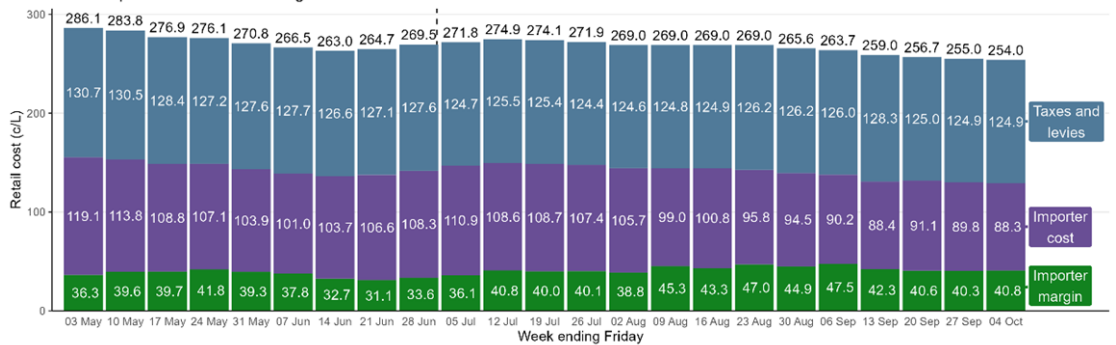
Auckland region importer margin for Regular Petrol



Nation-wide fuel margins

In the week ending 4 October, retail prices decreased 1 c/L for regular petrol, while importer margins rose 0.5 c/L to 40.8 c/L. International crude oil prices remain low, resulting in low importer costs.

National price breakdown for Regular Petrol



The graph above shows the discounted retail price for regular petrol nationally each week from May 2024. This price is broken down into importer cost (how much it costs to buy the fuel and ship it to New Zealand), taxes and levies (including the ARFT, ETS, and GST), and importer margin (the gross margin applied to these costs by fuel importers). The importer margin covers distribution and retail costs as well as profit margins.

National level importer margins for regular petrol over the past two years are shown below.

National importer margin for regular petrol



**IEA Global
Hydrogen Review
2024**

Melanee Beatson
Privacy of natural persons

The IEA published its annual Global Hydrogen Review on 3 October.

The report indicates that low-emissions hydrogen remains a small part of the overall hydrogen mix, comprising only 1Mt of 97Mt total demand. Announced low-emissions hydrogen projects have grown by 30% since last year to 49Mt/pa by 2030, and announced projects that have taken final investment decisions doubled since last year to reach 3.4Mt/pa by 2030. However, several projects have faced delays and cancellations, which are putting at risk a significant part of the project pipeline. Most of the forward pipeline remains in early planning or feasibility stages. For the full pipeline to emerge would require unprecedented compound annual growth rate of 90% per annum until 2030, which exceeds the fastest rates of historical solar PV expansion.

Electrolyser costs have been revised upwards in the past year. Under existing policies, hydrogen production costs are modelled to fall by 30% by 2030, which still leaves a significant cost gap with unabated fossil fuel production. China accounts for 60 per cent of global capacity for producing electrolysers.

Significant progress has occurred on mutual recognition of certification standards with 37 countries supporting the release of an ISO standard for measuring hydrogen emissions at COP28. The IEA recommends that countries:

- Accelerate demand creation for low-emissions hydrogen by leveraging industrial hubs and public procurement
- Support project developers to scale up low-emissions hydrogen production and drive cost reductions
- Strengthen regulation and certification of environmental attributes for low-emissions hydrogen
- Identify opportunities to start developing hydrogen infrastructure
- Support emerging markets and developing economies in expanding low-emissions hydrogen production and use

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 15 October 2024 7:00 am – 7:50 am	Meeting with Genesis Energy Board	Briefing Due: 11 October 2024
Tuesday 15 October 2024 9:00 am – 9:30 am	Meeting with the Minister for Resource Management Reform and MFE/MBIE to discuss amendments to RMA national direction	Briefing Due: 10 October 2024
Tuesday 15 October 2024 3:15 pm – 3:45 pm	Climate Adaption Framework ministers' meeting	Talking points: 14 October 2024
Tuesday 15 October 2024 7:00 pm – 8:00 pm	Minister for Energy / Infrastructure and Investment Minister's Group	Briefing Due: N/A

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Project:	Electricity Hazards from Trees regulations	
Confidential advice to Government		
Project:	Fuel Security Study & Fuel security plan	
Confidential advice to Government		
Project:	Minimum stockholding obligations	
s 9(2)(f)(iv)		
		Confidential advice to Government
Project:	Fast track legislation	
Mid-October	Briefing and draft Cabinet paper	Seek agreement to an Amendment Paper for the Fast-Track Bill (policy changes and listed projects).
Project:	Electrify NZ: RMA legislative reform	
s 9(2)(f)(iv)		
Project:	Electrify NZ: National direction package	
s 9(2)(f)(iv)		

Project:	Offshore Renewable Energy - Bill	
Confidential advice to Government		
Project:	Offshore Renewable Energy - Regulations	
s 9(2)(f)(iv)		
Project:	Review of phase-out of LFC regulations	
Confidential advice to Government		
Project:	Delivery of energy funds	
October 2024	Briefing	Community Renewable Energy Fund – seeking approval to proceed with resilience work programme
Projects:	Further briefings (not shown on the Ministerial Priorities Output Plan A3)	
w/c 15 October 2024	Briefing	Confidential advice to Government
Confidential advice to Government		
Confidential advice to Government		

3. Written Parliamentary Questions

None this week.

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
15 October 2024	SB24-1112	Privacy of natural persons	Energy Security and Resilience in New Zealand
15 October 2024	SB24-1117		Tradesmen and solar panels
15 October 2024	SB24-1118		Reinstatement of low energy tariff
15 October 2024	SB24-1125		Energy hardship
16 October 2024	SB24-1130		Solar Stations

16 October 2024	SB24-1138	Privacy of natural persons	Electricity prices and Electricity Kiwi Task Force
16 October 2024	SB24-1154		New independent generator on the current electricity market performance review initiative
17 October 2024	SB24-1150		Reinstatement of low energy tariff
17 October 2024	SB24-1151		Power Crisis
18 October 2024	SB24-1152		Auckland fuel tax
29 October 2024	SB24-1170		Hydrogen Infrastructure in New Zealand
29 October 2024	SB24-1171		Energy crisis
29 October 2024	SB24-1178		Request for a Letter of Support for Foreign Direct Investment in Energy Projects
29 October 2024	SB24-1179		The future of energy
29 October 2024	SB24-1180		Geothermal power
29 October 2024	SB24-1183		H & S attitude at Transpower
30 October 2024	SB24-1186		Availability of natural gas in NZ.
30 October 2024	SB24-1187		Power usage currently powering the AI software currently running through the 5 eyes Data centre b

5. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
14 October 2024	OIA24-384	Privacy of natural persons	Please provide copies of all briefings and advice you have received on domestic solar pv generation since you became Minister of Energy. This includes verbal briefings and advice as well as those in writing or electronic form.	Initiation	Scott Russell
16 October 2024	OIA24-389		I request a list of any written advice you or your Office received in your Transport and Energy portfolios between 29 August and today, if any, listed by agency, title and date received.	Initiation	John McCabe
17 October 2024	OIA24-390		All correspondence since 22 August 2024 between the Minister for Energy and Methanex.	Initiation	Dominic Kebbell

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
23 October 2024	OIA24-322	Privacy of natural persons	Copies of documents	Initiation	Scott Russell

6. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
25 October 2024	OIA-REQ-0004280	Privacy of natural persons	Please provide copies of any advice provided to ministers related to nuclear energy (of any sort including power, waste, etc) since October 14 2023.	Review	Stephen Tat
30 October 2024	OIA-REQ-0004476	Privacy of natural persons	<p>Channel Infrastructure I request any information on the following that MBIE may be currently aware of or become aware of:</p> <ol style="list-style-type: none"> 1. Proposed volumes of fuel to be produced, by fuel type and other products, and design limits on the capacity to make each type of product 2. Volume of tankage at Marsden Point covered by the option arrangement, in absolute volume terms and the volume of tankage on site that is as yet uncontracted for (broken down by that already refurbished but unused and that unrefurbished). 3. Volume of feedstock the biorefinery would be: a) physically capable of processing (its design capacity), b) identified as being available at an economic cost, c) locations and nature of the sources of supply 	Initiation	Dominic Kebbell

7. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 21/10/2024

Priority: Medium

Security classification: In Confidence

Tracking number: BRIEFING-REQ-0005083

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

18 October 2024

Minister's comments:

Energy Portfolio
Draft Officials' Meeting Agenda
3:30 pm – 4:30pm Tuesday 22 October 2024

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Weekly Report & Work Programme	Minister	Oral	Discussion
2.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Fast-Track Consenting Regime</p> <p>Francis Van Der Krogt <small>Privacy of natural persons</small></p>	<p>The Environment Committee has prepared its report on the Bill and was due to report to the House on 18 October 2024.</p> <p>Confidential advice to Government</p> <p>[Redacted]</p>
<p>Consumer Data Right for Electricity</p> <p>Scott Russell <small>Privacy of natural persons</small></p>	<p>The consultation period for MBIE’s discussion paper “Exploring a consumer data right for the electricity sector” closed 10 October 2024. s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Hazards from Trees</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>Phase 1 amendments came into force on 17 October 2024.</p> <p>Confidential advice to Government</p> <p>[Redacted]</p>

Stakeholder Updates

Title	Comment
<p data-bbox="108 248 341 342">Electricity Authority 2023/24 Annual Report</p> <p data-bbox="108 365 268 405">Jacqui Bassett</p> <p data-bbox="108 389 245 405"><small>Privacy of natural persons</small></p>	<p data-bbox="363 248 1477 349">The Electricity Authority (the Authority) has provided you with its final Annual Report for the year ended 30 June 2024. We have previously provided you with advice on the Authority's performance to 30 June 2024 (MBIE briefing 2425-0781 refers).</p> <p data-bbox="363 371 1477 472">We recommend that, as responsible Minister, you present the Authority's Annual Report to the House of Representatives within five working days of receiving it, in accordance with the Crown Entities Act 2004.</p> <p data-bbox="363 495 1445 629">Historically, the release of the Authority's Annual Report has generated minimal media attention. It is possible, given the focus on the energy sector, there is greater interest this year, though we would expect this to be limited to sector media outlets such as Energy News.</p>

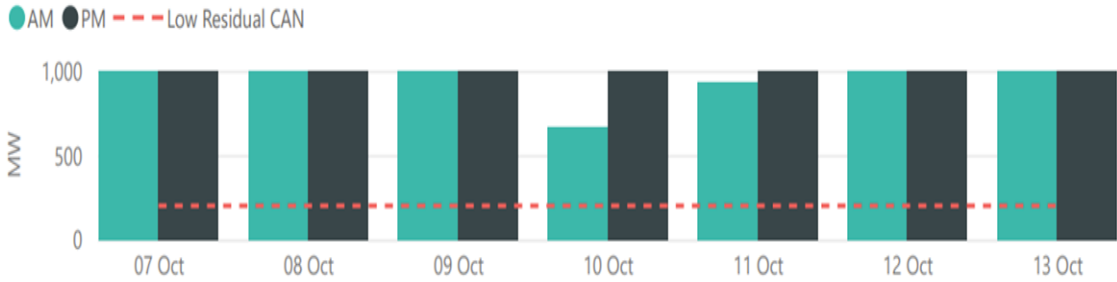
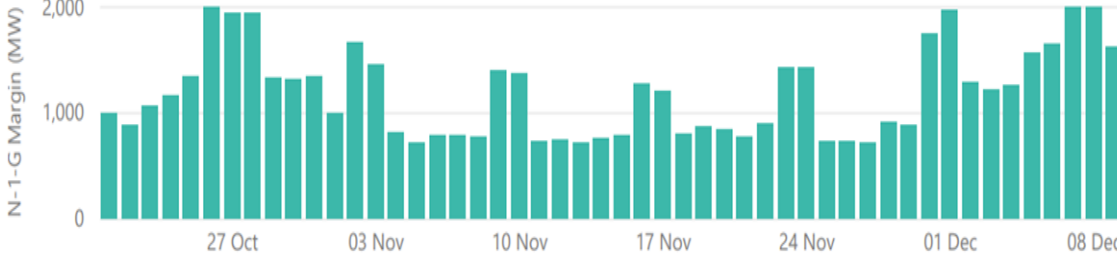
Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Other Updates

Title	Comment																																								
<p>Gas security of supply</p> <p>Dominic Kebbell <small>Privacy of natural persons</small></p>	<p>Genesis and Mercury have informed customers this week of increases to their retail gas pricing. This is due to the increasing cost of natural gas as well as increasing transmission and distribution costs. You may receive ministerial correspondence on this issue as well as potential media questions, we will work with your office to prepare responses.</p> <p>Master Plumbers (who represent gasfitters & installers) have expressed their concern that gas retailers were limiting or ceasing new gas connections. We have determined that on average 250 residential ICP are connected each month. Master Plumbers are working to understand the cost to developers/homeowners in having to change to LPG or electricity or having to choose to wait. We understand that houses with planned gas cannot achieve a code compliance certificate without either a gas connection or an alternative form of energy. We will be speaking to the gas retailers to get an understanding of their plans and timeframes for any restriction.</p>																																								
<p>Electricity security of supply</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>ELECTRICITY CAPACITY (for the week to Sunday 13 October 2024)</p> <p>Residual generation margins remained healthy last week with a minimum residual of 670 MW during the Thursday morning peak.</p> <p>Residuals for week to 13 October 2024 were above the preferred 200MW threshold.</p> <p>Lowest Residual Points - MW</p>  <table border="1"> <caption>Lowest Residual Points - MW</caption> <thead> <tr> <th>Date</th> <th>AM (MW)</th> <th>PM (MW)</th> </tr> </thead> <tbody> <tr><td>07 Oct</td><td>~950</td><td>~950</td></tr> <tr><td>08 Oct</td><td>~950</td><td>~950</td></tr> <tr><td>09 Oct</td><td>~950</td><td>~950</td></tr> <tr><td>10 Oct</td><td>~670</td><td>~950</td></tr> <tr><td>11 Oct</td><td>~950</td><td>~950</td></tr> <tr><td>12 Oct</td><td>~950</td><td>~950</td></tr> <tr><td>13 Oct</td><td>~950</td><td>~950</td></tr> </tbody> </table> <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p> <p>Forecast N-1-G margins are currently healthy.</p> <p>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to the start of December 2024:</p> <p>NZGB Look-Ahead (excluding next 7 days)</p>  <table border="1"> <caption>N-1-G Margin (MW)</caption> <thead> <tr> <th>Date</th> <th>N-1-G Margin (MW)</th> </tr> </thead> <tbody> <tr><td>27 Oct</td><td>~1000</td></tr> <tr><td>03 Nov</td><td>~1500</td></tr> <tr><td>10 Nov</td><td>~1000</td></tr> <tr><td>17 Nov</td><td>~1000</td></tr> <tr><td>24 Nov</td><td>~1500</td></tr> <tr><td>01 Dec</td><td>~1500</td></tr> <tr><td>08 Dec</td><td>~1500</td></tr> </tbody> </table> <p><i>Source: System Operator, Market Operations - Weekly Market Movements</i></p> <p>ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 13 October 2024)</p> <p>National hydro storage increased by 3% to 114% of the historic mean last week. North Island hydro storage increased from 102% to 114% of the historic mean for this time of year and South Island storage increased from 112% to 114%.</p>	Date	AM (MW)	PM (MW)	07 Oct	~950	~950	08 Oct	~950	~950	09 Oct	~950	~950	10 Oct	~670	~950	11 Oct	~950	~950	12 Oct	~950	~950	13 Oct	~950	~950	Date	N-1-G Margin (MW)	27 Oct	~1000	03 Nov	~1500	10 Nov	~1000	17 Nov	~1000	24 Nov	~1500	01 Dec	~1500	08 Dec	~1500
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ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE

Thursday 17 October 2024

UPSTREAM

Water

		Last	Δ	Previous	Change	1 Day	1 Week
Hydro system storage	% LT avg	113.7%	▼	114.0%	-0.3%	-0.3%	+2.8%
Pukaki - Meridian	% full	51.2%	▼	51.3%	-0.1%	-0.1%	+1.4%
Manapouri - Meridian	% full	100.6%	▼	108.3%	-7.7%	-7.7%	-40.0%
Tekapo - Genesis	% full	58.2%	-	58.2%	0.0%	0.0%	+4.4%
Hawea - Contact	% full	61.1%	▲	60.8%	+0.3%	+0.3%	+3.1%
Taupo - Mercury	% full	73.5%	▼	73.6%	-0.1%	-0.1%	+1.4%

Source: Enerlytica

ELECTRICITY ('ENERGY') SUPPLY RISK (at 13 October 2024)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk



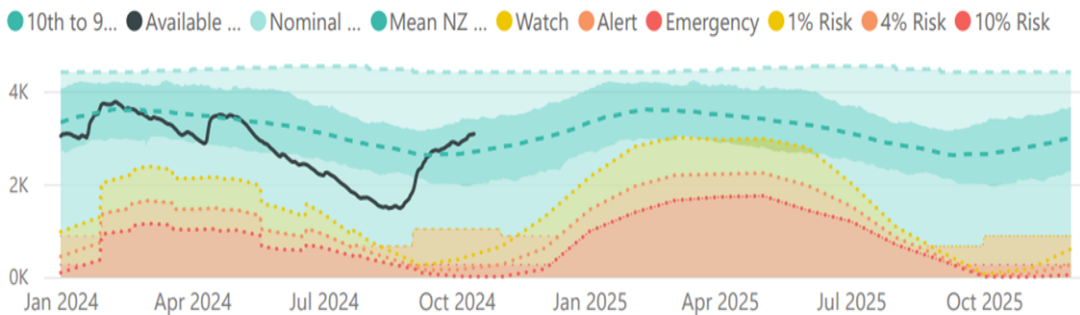
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is above average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)

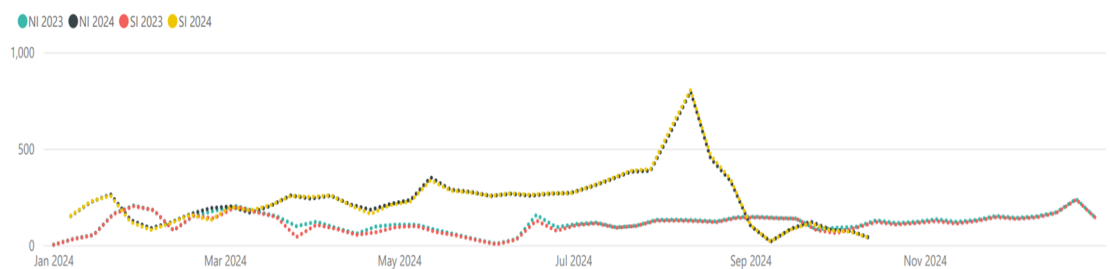


Source: System Operator, Market Operations - Weekly Market Movements

WHOLESALE ELECTRICITY PRICES

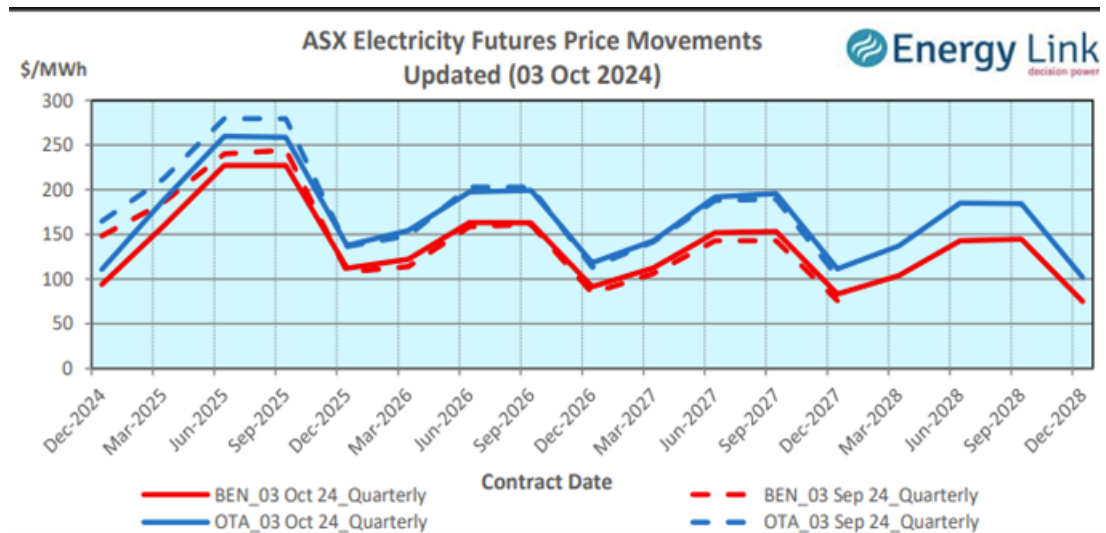
Weekly Spot Price (week ended 13 October 2024)

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 3 October 2024)



Source: Energy Link, Energy Trendz Weekly

UK-NZ Prime Ministerial Meeting

Peter Bartlett
Privacy of natural persons

Prime Minister Luxon will hold a bilateral meeting with British Prime Minister Kier Starmer at the upcoming Commonwealth Heads of Government Meeting (CHOGM) on 24 October.

International relations
 [Redacted]

A joint press release may be issued after the meeting, subject to confirmation by PMO early next week. **International relations**

[Redacted]

MBIE is working with MFAT on plans for the meeting and any press statement and will keep your office updated with any final language.

Weekly fuel price monitoring

Maria Botes
 Privacy of natural persons

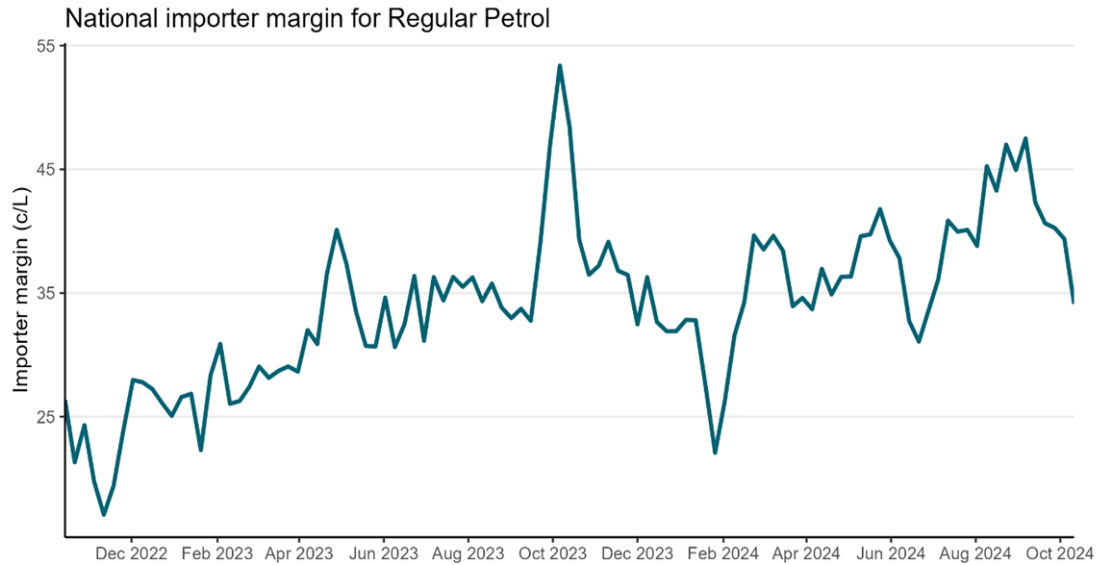
International oil prices

Geopolitical tensions in the Middle East are starting to adversely affect the price of crude oil. Combined with disruptions to refineries in the Asia-Pacific region and a weakening New Zealand dollar, this has resulted in a rise in importer costs.

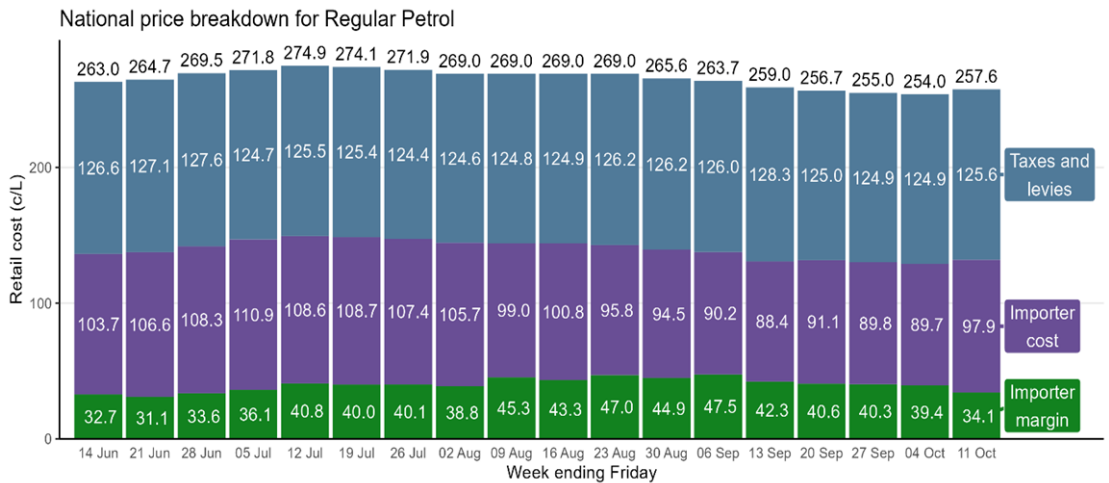
National average fuel margins

In the week ending 11 October, retail prices increased 3.6 c/L for regular petrol, while importer margins decreased 5.2 c/L to 34.1 c/L.

National level importer margins for regular petrol over the past two years are shown below.



The price breakdown for the past four months is shown below.

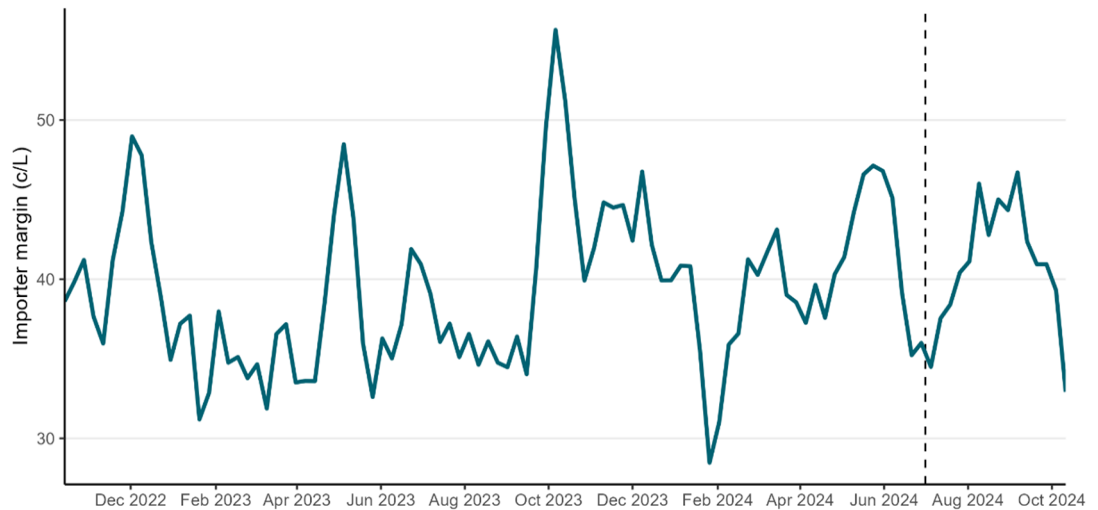


Auckland fuel margins

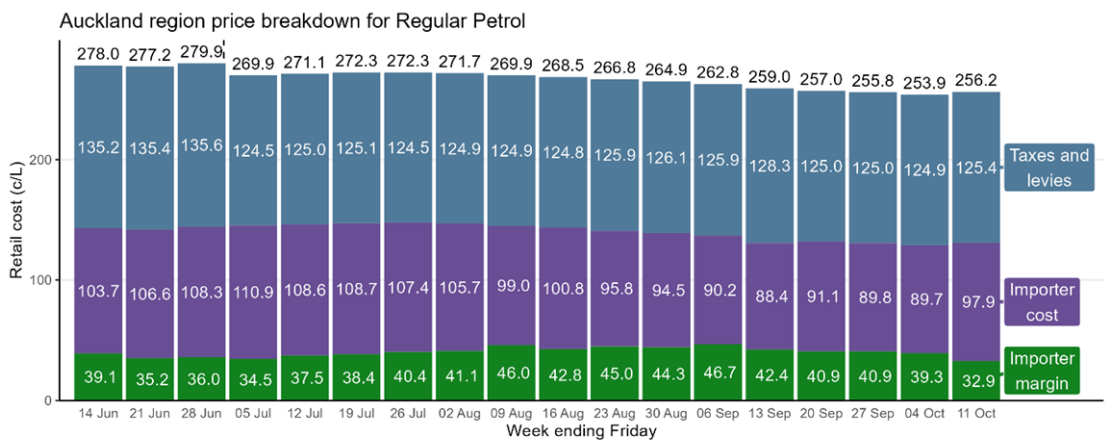
Movements in retail prices and importer margins in Auckland mirrored those seen at the national level. In the week ending 11 October, retail prices increased 2.3 c/L for regular petrol, while importer margins decreased 6.4 c/L to 32.9 c/L.

Importer margins for regular petrol in the Auckland region over the past two years are shown below. The dashed line shows the removal of the Auckland Regional Fuel Tax.

Auckland region importer margin for Regular Petrol



The price breakdown for the past four months is shown below.



Explanation of MBIE's Fuel Importer Margins Data

Dominic Kebbell

Privacy of natural persons

You have asked for an explanation of why importer margins can vary week-to-week.

To calculate importer margins, we take the retail price of fuel and subtract any discounts, government-imposed costs (e.g., taxes) and the estimated cost of importing the fuel from overseas. We calculate this based on publicly-available information rather than information we gather from fuel companies under an enactment.

Given the way we calculate importer margins, caution needs to be applied when using the importer margin to assess profitability. While the importer margin includes the profit margin of fuel importers – and an increase to importer margins may be caused by increased profitability – the importer margin can also increase if the domestic costs for fuel importers rise. For example, increases in the costs of domestic transportation, wages, or retailing costs more generally will all increase the importer margin. The importer margin alone is not therefore a direct measure of profitability.

The Commerce Commission collects more detailed price information from fuel companies under the Fuel Industry Act and publishes this information quarterly. Its next quarterly fuel market report for the quarter ended 30 September 2024 will be published in late November 2025.

The Commission has said it is seeking to improve the way it calculates its estimate of importer margins and hopes to complete this in the coming months. The Commission will inform us when it has completed this work.

On 27 September 2024, we wrote to fuel companies about the increases in importer margins between July and September 2024 in our data.

[Redacted]

We intend to meet with fuel companies this month to discuss fuel margins further. The meetings will be an opportunity for us to find out what was behind the July to September rise in importer margins.

We will update you on the outcome of these meetings. We note that importer margin has fell in October 2024.

ERP2-

Confidential advice to Government

Scott Russell

Privacy of natural persons

Confidential advice to Government [Redacted]

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

- [Redacted]

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Confidential advice to Government

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Wednesday 23 October 2024 10:30 am – 10:50 am	EECA CEO and Management (Regular meeting)	Briefing Due: N/A
Wednesday 23 October 2024 10:50 am – 11:10 am	Electricity Authority CEO and Management (Regular meeting)	Briefing Due: N/A
Wednesday 23 October 2024 11:10 am – 11:30 am	Transpower CEO and management	Briefing Due: N/A
Wednesday 23 October 2024 4:00 pm – 5:00 pm	First Quarterly Meeting of the Hydrogen Industry Leadership Group with Minister Brown and Watt	Briefing Due: 21 October 2024
Friday 25 October 2024 8:15 am – 8:30 am	Dean Addie, CEO, T4 Group	Briefing Due: 23 October 2024
Friday 25 October 2024 10:00 am – 11:30 am	Visit Tiwai Point with Chris Blenkiron CEO, Hayden Fahey Operations Manager, Simon King, External Affairs Director and Hon Penny Simmonds	Briefing Due: 23 October 2024

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Project:	Energy content for ERP2	
Mid November 2024	Confidential advice to Government	
Project:	CCUS	
Confidential advice to Government		
Project:	Electricity Hazards from Trees regulations	
Confidential advice to Government		
Project:	Fuel Security Study & Fuel security plan	
Confidential advice to Government		

Project:	Minimum stockholding obligations	
s 9(2)(f)(iv)		
Project:	Fast track legislation	
Mid-October	Briefing and draft Cabinet paper	Seek agreement to an Amendment Paper for the Fast-Track Bill (policy changes and listed projects).
Project:	Electrify NZ: RMA legislative reform	
Confidential advice to Government		
Project:	Electrify NZ: National direction package	
Confidential advice to Government		
Project:	Offshore Renewable Energy - Bill	
Confidential advice to Government		
Project:	Review of phase-out of LFC regulations	
Confidential advice to Government		
Project:	Delivery of energy funds	
October 2024	Briefing	Community Renewable Energy Fund – seeking approval to proceed with resilience work programme
Project:	Amending the Energy Efficiency and Conservation Act (2000)	
By 31 October 2024	Briefing	Confidential advice to Government
Projects:	Further briefings (not shown on the Ministerial Priorities Output Plan A3)	
Confidential advice to Government		
By 31 October	Briefing	Confidential advice to Government

3. Written Parliamentary Questions

None this week.

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
25 October 2024	SB24-1194	Privacy of natural persons	Enthusiasm for removing obstacles to productivity in the economy in such a crucial sector as energy
29 October 2024	SB24-1170		Hydrogen Infrastructure in New Zealand
29 October 2024	SB24-1171		Energy crisis
29 October 2024	SB24-1178		Request for a Letter of Support for Foreign Direct Investment in Energy Projects
29 October 2024	SB24-1179		The future of energy
29 October 2024	SB24-1183		H & S attitude at Transpower
30 October 2024	SB24-1186		Availability of natural gas in NZ.
30 October 2024	SB24-1187		Power usage currently powering the AI software currently running through the 5 eyes Data centre b
6 November 2024	SB24-1192		Legislation Allowing Multiple Accounts per ICP for Solar Energy Systems

5. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
23 October 2024	OIA24-322	Privacy of natural persons	Copies of documents	Initiation	Scott Russell
29 October 2024	OIA24-368		All communication between the minister's office and Winstone Pulp International since the beginning of August. All other communications about the potential closure of Winstone Pulp's two mills in the Ruapehu District in this time. And reports or draft reports held by the minister into this issue.	Scoping	John McCabe
29 October 2024	OIA24-400		Under the OIA I request copies of all correspondence, including but not limited to emails, text messages, and any other form of communication, with John Carnegie and the Minister and/or any staff member of the Ministers office since 5 September 2024.	Refusal	Dominic Kebbell

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
29 October 2024	OIA24-377	Privacy of natural persons	Conversations, texts, emails, advice on what the government was considering in terms of intervention for the mills run by Winstone International.	Drafting	Stephen Tat
1 November 2024	OIA24-407		Copies of documents	Scoping	Stephen Tat

6. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
25 October 2024	OIA-REQ-0004280	Privacy of natural persons	Please provide copies of any advice provided to ministers related to nuclear energy (of any sort including power, waste, etc) since October 14 2023.	Review	Stephen Tat
30 October 2024	OIA-REQ-0004476		<p>Channel Infrastructure I request any information on the following that MBIE may be currently aware of or become aware of:</p> <ol style="list-style-type: none"> Proposed volumes of fuel to be produced, by fuel type and other products, and design limits on the capacity to make each type of product Volume of tankage at Marsden Point covered by the option arrangement, in absolute volume terms and the volume of tankage on site that is as yet uncontracted for (broken down by that already refurbished but unused and that unrefurbished). Volume of feedstock the biorefinery would be: a) physically capable of processing (its design capacity), b) identified as being available at an economic cost, c) locations and nature of the sources of supply 	Initiation	Dominic Kebbell

7. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government



Energy Portfolio Weekly Report

Week commencing: 29/10/2024

Priority: Medium

Security classification: In Confidence

Tracking number: BRIEFING-REQ-0005370

Recipient

Action sought

**HON SIMEON BROWN
MINISTER FOR ENERGY**

Note the contents of this report

Justine Cannon
General Manager
Energy Markets Branch
Ministry of Business, Innovation and Employment

Privacy of natural persons

25 October 2024

Minister's comments:

**Energy Portfolio
Officials' Meeting Agenda
9:00 am – 9:30 am Tuesday 29 October 2024**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
2.	[REDACTED]	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]
3.	Weekly Report & Work Programme	Minister	Oral	Discussion
4.	Any other business	All	Oral	Discussion

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Jamie Kerr	Chief Advisor, Climate
Dominic Kebbell	Manager Gas and Fuel policy
Stephen Tat	Acting Manager, Electricity Policy
Michael Thomson	Senior Policy Advisor, Offshore Renewable Energy and Hydrogen

Key Updates

Title	Comment
<p>Implementing Electrify NZ</p> <p>Daniel Brown <small>Privacy of natural persons</small></p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>The Environment Committee reported the Fast-track Approvals Bill back to the House as scheduled on 18 October 2024. Confidential advice to Government</p> <p>[Redacted]</p>
<p>Regulations Review Committee: Complaint about the Electricity (Safety) Regulations 2010</p> <p>Hayden Fenwick <small>Privacy of natural persons</small></p>	<p>The Regulations Review Committee (the Committee) has decided to investigate a complaint about Regulation 80 of the Electricity (Safety) Regulations 2010, which concerns the electrical safety of new and used electrical fittings and appliances.</p> <p>The complaint relates specifically to Regulation 80(3)(b) which requires that a used electrical appliance intended for reconditioning or parts recycling and not for use without reconditioning, must be disabled and marked in accordance with the Standard incorporated into the Regulation (AS/NZS 4701:2000).</p> <p>The Committee considers the complaint may relate to Standing Order 327(2)(c) - appears to make some unusual or unexpected use of the powers conferred by the enactment under which it is made.</p> <p>The Committee has invited MBIE to attend on Wednesday 13 November to hear the complainant's oral submission, after which MBIE will make its own submission and respond to the complainant's submission. We have asked the Committee for permission to have WorkSafe New Zealand also attend. As the regulator of energy safety WorkSafe has experience with, and detailed knowledge of, the Regulation and its application which would be helpful to the Committee.</p> <p>We will provide you with a copy of our intended submission to the Committee and advise you of the outcome of the investigation.</p>
<p>Energy Competition Task Force</p> <p>Stephen Tat <small>Privacy of natural persons</small></p>	<p>The Task Force is meeting on Friday 25 November 2024. The Electricity Authority is working on producing a forward calendar of when decisions, and announcements, will be made to provide greater oversight to the Task Force. We understand that the Authority will also provide regular updates to your office on Task Force progress.</p>

Confidential advice to Government

Confidential advice to Government

Stakeholder Updates

Title	Comment
Contacts Energy's Te Huka geothermal plant started supplying the grid Stephen Tat <small>Privacy of natural persons</small>	Contact Energy's Te Huka Unit 3 geothermal power station has started supplying power to the grid for the first time. It is supplying 15 MW per week, during a three-week testing period with Transpower, and will gradually increase to its full 51.4 MW capacity - enough to supply around 60,000 homes. It is expected to be fully online by the end of 2024.
Genesis Energy announces increased coal stockpile target Stephen Tat <small>Privacy of natural persons</small>	Genesis Energy announced on Wednesday its intention to carry 500 kt (approximately 1TWh of energy) of coal into winter 2025, an increase of 150 kt from its previous public position. Enerlytica comments that the increase likely accounts for the less than forecast results from Kupe South-9 well drilling. The amount will cover Genesis's own retail book, and 80 MW of obligations sold under its Huntly Firming Options (HFO). Enerlytica notes that Genesis's central message remains – it will not carry (fund) coal that has not been contracted for through HFO's.
Contact's purchase of Manawa issues paper released by Commerce Commission Stephen Tat <small>Privacy of natural persons</small>	The Commerce Commission has published a statement of preliminary issues relating to Contact Energy's application seeking clearance to acquire up to 100% of Manawa Energy shares. The statement outlines the key competition issues the Commission considers important ahead of its decision. The Commission will give clearance if it is satisfied that the proposed acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand. A decision is due by 26 November 2024 however this is able to be extended.
BlueFloat Energy's announcement it is ceasing offshore renewable energy activities in New Zealand Melanee Beatson <small>Privacy of natural persons</small>	On 23 October 2024 BlueFloat Energy emailed you to advise that it has decided to cease development of its New Zealand offshore wind projects. This was publicly announced on 24 October 2024. BlueFloat advised that the decision reflects a number of key uncertainties about how the market for offshore wind will develop in the country – including both route to market and allocation of seabed. On 24 October Hon Chris Bishop responded to an oral question relating to this announcement on your behalf.

Confidential advice to Government

Other Updates

Title	Comment
<p>Emissions Reduction Plan 2</p> <p>Scott Russell</p> <p><small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Mid-point review of the LFC phase-out</p> <p>Stephen Tat</p> <p><small>Privacy of natural persons</small></p>	<p>We commissioned Sense Partners to undertake quantitative analysis of changes to power prices as a result of the LFC phase-out. This analysis was due to be completed by 7 October. However, as previously signalled, Mercury encountered issues with its billing systems (due to an ongoing transition between its system and Trustpower’s system) which delayed it providing its complete retail billing data. The result had been Sense Partners not being able to finalise its analysis.</p> <p>Mercury’s data was provided on 14 October 2024. Sense Partners provided initial results from its analysis to MBIE on 18 October 2024 and is due to provide its report by 25 October 2024. Confidential advice to Government</p> <p>[Redacted]</p>
<p>Electricity Authority’s Risk Management Review</p> <p>Stephen Tat</p> <p><small>Privacy of natural persons</small></p>	<p>On 15 October 2024, the Authority Board approved for release a consultation paper on the Authority’s initial findings from its Risk Management Review project. The consultation paper, which is a response to the independent retailers’ complaints relating to price and access barriers to risk management products, finds that:</p> <ul style="list-style-type: none"> • there are no clear price or access barriers to risk management products • the market for these products is not deep or liquid • it is unclear why gentailers sometimes elect not to provide these products.

	<p>We understand that the Authority will provide you a briefing on this paper before it is released. We provided comments to the Authority on the paper before it went to the Board.</p> <p>Confidential advice to Government</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Electricity Authority's ITP & RGM Disclosures</p> <p>Stephen Tat</p> <p><small>Privacy of natural persons</small></p>	<p>Alongside the Risk Management Review, the Authority will also publish a post-implementation review of its Internal Transfer Price (ITP) and Retail Gross Margin (RGM) disclosure requirements.</p> <p>These requirements were introduced in 2021 to help the Authority identify whether electricity markets are functioning competitively so trust and confidence in the wholesale market is strengthened. The paper will set out the Authority's view that the ITP and RGM disclosures have not achieved the increased transparency that was hoped. The Authority intends to make a decision on the future of ITP/RGM disclosures after it has analysed submissions on the Risk Management Review.</p>

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Electricity security of supply

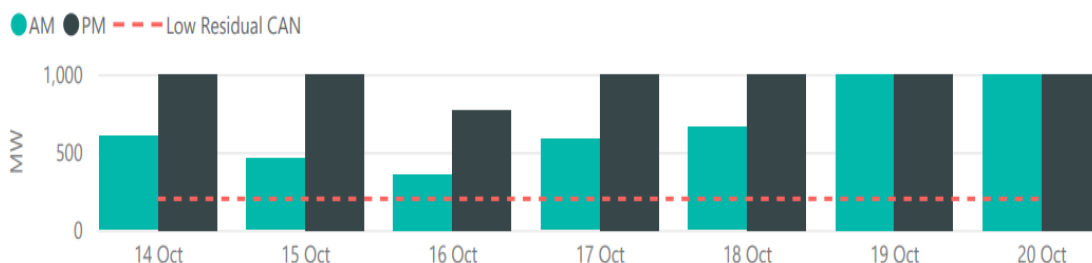
Stephen Tat
 Privacy of natural persons

ELECTRICITY CAPACITY (for the week to Sunday 20 October)

Residual generation margins were above 350 MW during all peaks last week. The lowest residual margin was 356MW on Wednesday morning, which was a cold morning and with low wind generation. Planned generator outages and lower thermal unit commitment have resulted in lower capacity margins during the shoulder season.

Residuals for week to 20 October 2024 were above the preferred 200MW threshold.

Lowest Residual Points - MW



Source: System Operator, Market Operations - Weekly Market Movements

Forecast N-1-G margins are currently healthy.

The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid December 2024:

NZGB Look-Ahead (excluding next 7 days)



Source: System Operator, Market Operations - Weekly Market Movements

ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 20 October)

National hydro storage has dropped from 114% to 108% of the historic mean last week with a high hydro share of generation. South Island storage dropped to 108% from 114% of its historical mean, while North Island storage decreased from 114% to 111%.

ENERGY (HYDRO) STORAGE LEVEL BY MAJOR LAKE

Wednesday 23 October 2024

UPSTREAM

Water

		Last	Δ	Previous	Change	1 Day	1 Week
Hydro system storage	% LT avg	108.1%	▼	108.7%	-0.6%	-0.6%	-6.0%
Pukaki - Meridian	% full	51.5%	▲	51.4%	+0.1%	+0.1%	+0.2%
Manapouri - Meridian	% full	87.8%	▲	85.6%	+2.2%	+2.2%	-20.5%
Tekapo - Genesis	% full	52.9%	▼	53.9%	-1.0%	-1.0%	-5.3%
Hawea - Contact	% full	63.5%	▲	62.9%	+0.6%	+0.6%	+2.7%
Taupo - Mercury	% full	73.6%	▲	72.9%	+0.7%	+0.7%	0.0%

Source: Enerlytica

ELECTRICITY ('ENERGY') SUPPLY RISK (at 20 October)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk



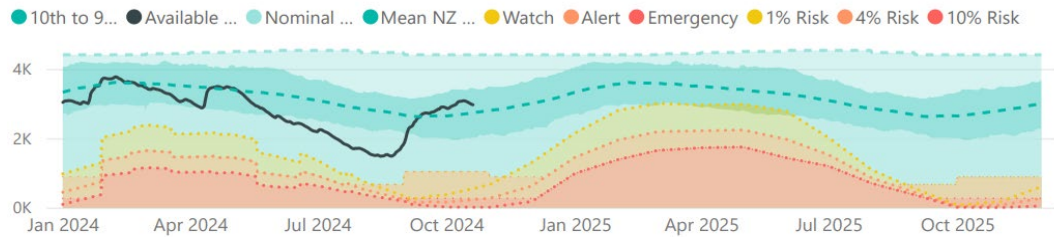
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is above average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)



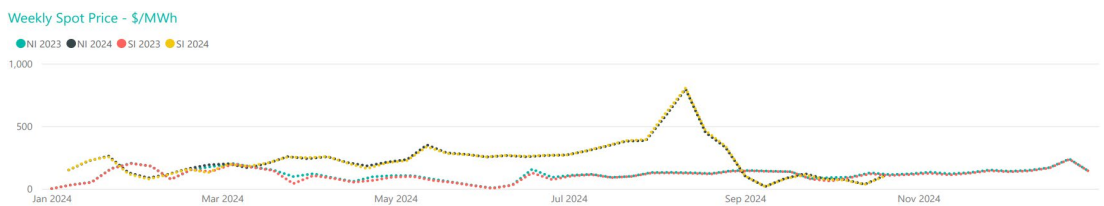
Source: System Operator, Market Operations - Weekly Market Movements

October Electricity Risk Curves update: None of the 92 modelled Simulated Storage Trajectories (SSTs) cross the NZ Watch or Alert status curve in 2024 or 2025. This is in contrast to the September ERCs which showed 43 of the SSTs crossing into 'watch' status and 6 crossing into 'alert' status. At 'alert' status generators can access contingent hydro storage for security of supply.

These changes are due to the higher starting hydro storage position and increased thermal fuel availability (primarily coal) - demonstrating the importance of strong fuel storage and availability.

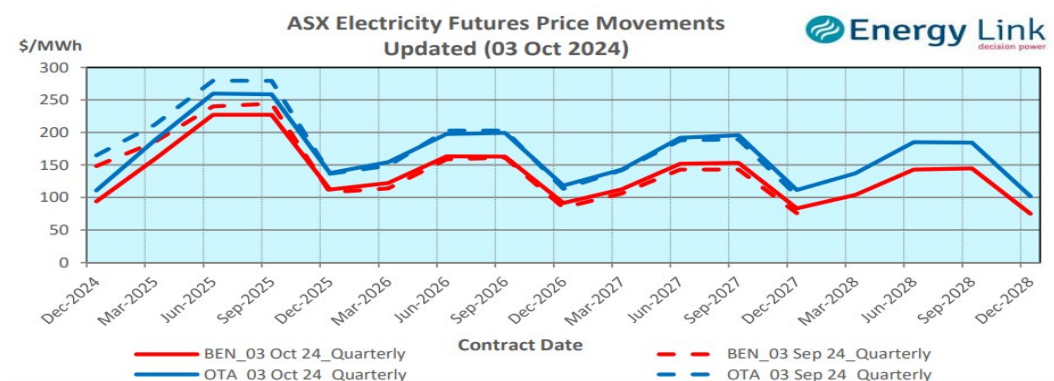
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 20 October)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at 3 October)



Source: Energy Link, Energy Trendz Weekly

Weekly fuel price monitoring

Maria Botes
 Privacy of natural persons

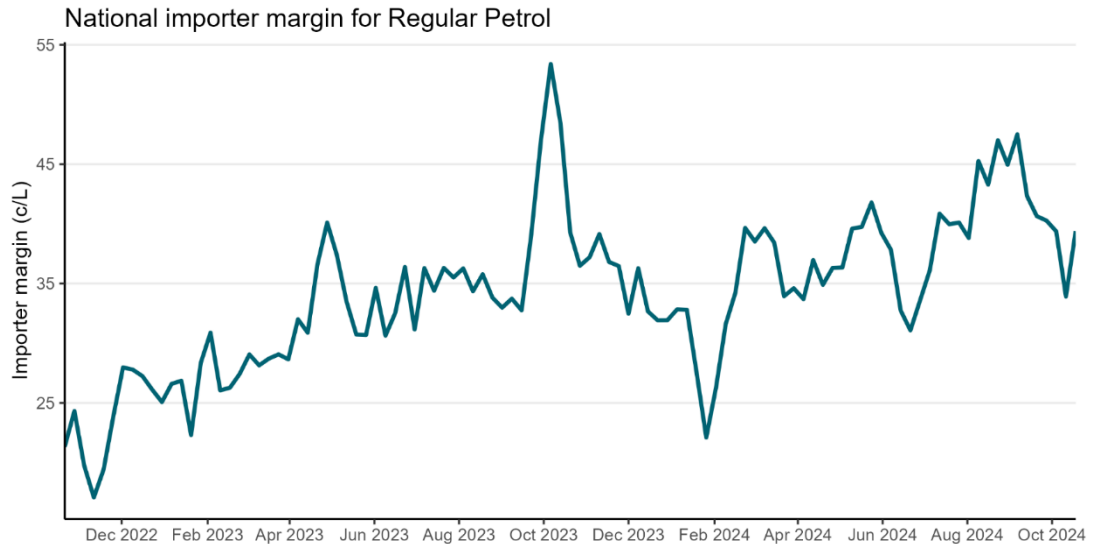
International oil prices

Crude oil prices have fluctuated over the past few weeks due to the current situation in the Middle East and continue to show volatility. Following a sharp rise, oil prices fell in the week ending 18 October, leading to a fall in importer costs.

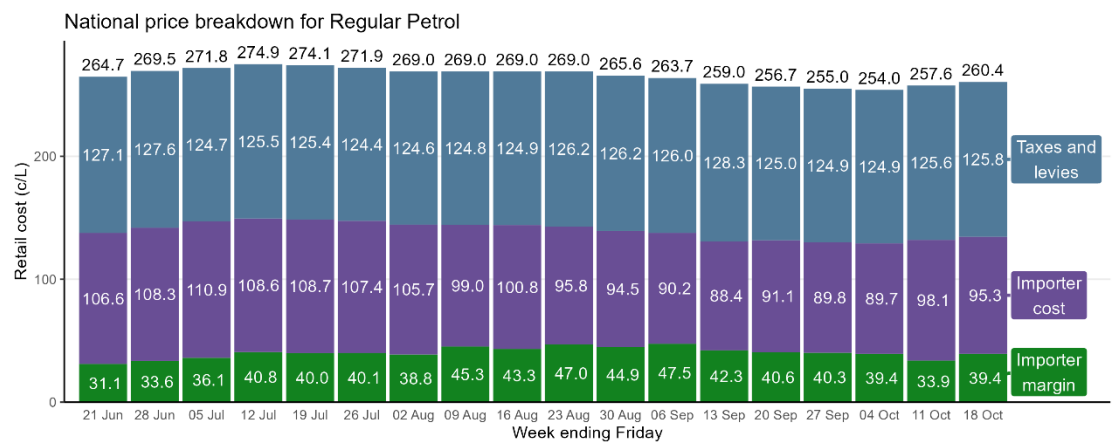
National average fuel margins

In the week ending 18 October, retail prices increased 2.9 c/L for regular petrol, while importer margins increased 5.5 c/L to 39.4 c/L.

National level importer margins for regular petrol over the past two years are shown below.



The price breakdown for the past four months is shown below.

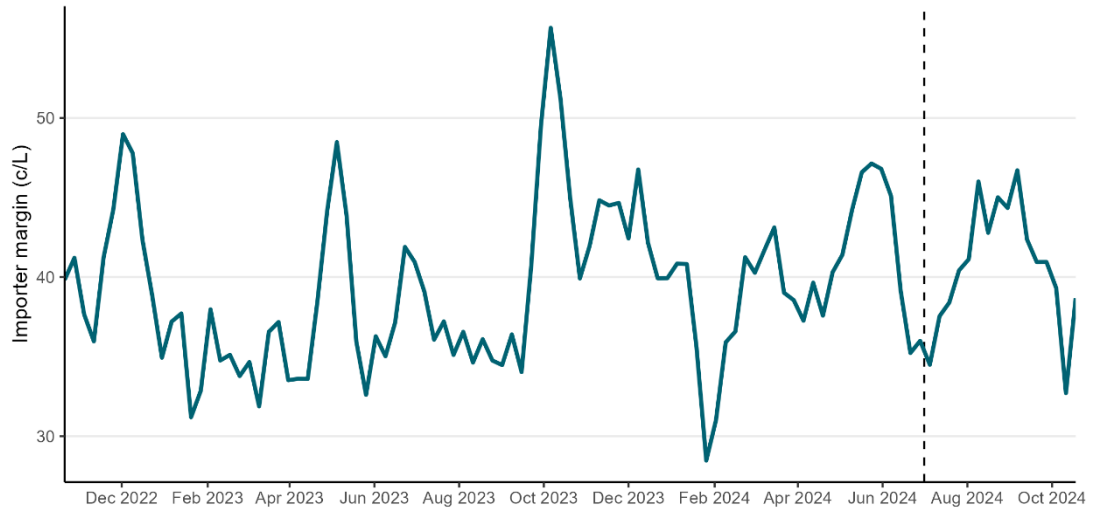


Auckland fuel margins

Movements in retail prices and importer margins in Auckland mirrored those seen at the national level. In the week ending 18 October, retail prices increased 3.4 c/L for regular petrol, while importer margins increased 6.0 c/L to 38.7 c/L.

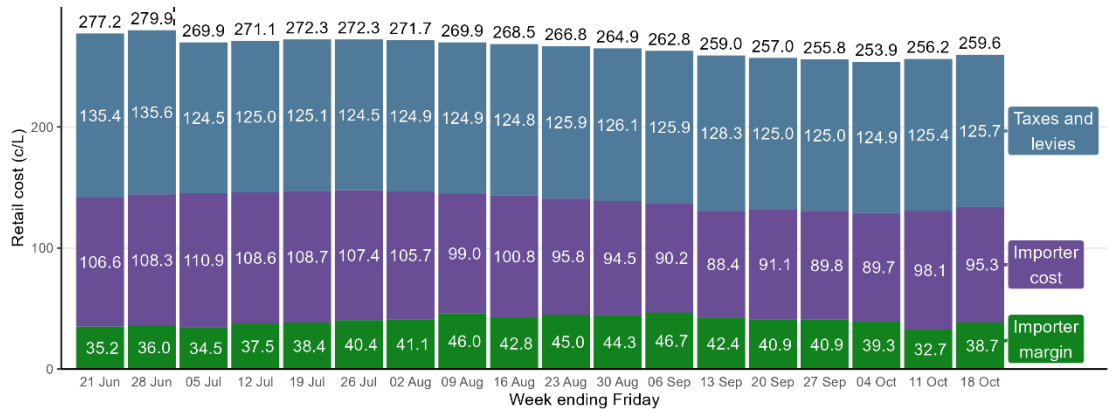
Importer margins for regular petrol in the Auckland region over the past two years are shown below. The dashed line shows the removal of the Auckland Regional Fuel Tax.

Auckland region importer margin for Regular Petrol



The price breakdown for the past four months is shown below.

Auckland region price breakdown for Regular Petrol



Upcoming Ministerial Items

1. Upcoming Energy meetings

None this week.

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Project:	Energy content for ERP2	
Mid November 2024	Briefing [Redacted]	[Redacted]
	Confidential advice to Government	[Redacted]
Project:	CCUS	
Confidential advice to Government	[Redacted]	[Redacted]
	[Redacted]	[Redacted]
Project:	Electricity Hazards from Trees regulations	
30 October 2024	Confidential advice to Government	[Redacted]
Project:	Fuel Security Study & Fuel security plan	
Confidential advice to Government	[Redacted]	[Redacted]
Project:	Minimum stockholding obligations	
s 9(2)(f)(iv)	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
		Confidential advice to Government
Project:	Fast track legislation	
Confidential advice to Government	[Redacted]	[Redacted]
	[Redacted]	[Redacted]
Project:	Electrify NZ: RMA legislative reform	
Confidential advice to Government	[Redacted]	[Redacted]
	[Redacted]	[Redacted]
Project:	Electrify NZ: National direction package	
s 9(2)(f)(iv)	[Redacted]	[Redacted]

Project:	Offshore Renewable Energy - Bill	
Confidential advice to Government		
Project:	Review of phase-out of LFC regulations	
Confidential advice to Government		
Project:	Delivery of energy funds	
October 2024	Briefing	Community Renewable Energy Fund – seeking approval to proceed with resilience work programme
Project:	Amending the Energy Efficiency and Conservation Act (2000)	
By 31 October 2024	Briefing	Confidential advice to Government
Projects:	Further briefings (not shown on the Ministerial Priorities Output Plan A3)	
Confidential advice to Government		
By 31 October	Briefing	Confidential advice to Government
Projects	Hydrogen	
Confidential advice to Government		

3. Written Parliamentary Questions

None this week.

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
29 October 2024	REQ-0004419	Privacy of natural persons	Hydrogen Infrastructure in New Zealand
29 October 2024	REQ-0004421		Energy crisis
29 October 2024	REQ-0004456		Request for a Letter of Support for Foreign Direct Investment in Energy Projects
29 October 2024	REQ-0004430		The future of energy
29 October 2024	REQ-0004463		H & S attitude at Transpower
30 October 2024	REQ-0004479		Availability of natural gas in NZ.

30 October 2024	REQ-0004480	Privacy of natural persons	Power usage currently powering the AI software currently running through the 5 eyes Data centre b
6 November 2024	REQ-0004999		Legislation Allowing Multiple Accounts per ICP for Solar Energy Systems
11 November 2024	REQ-0005171		Discussion points - Jackson Electrical Industries Visit Simeon Brown and Greg Fleming
11 November 2024	REQ-0005173		Electricity Price Increases
12 November 2024	REQ-0005206		Renewable energy, non-renewable energy and EVs
12 November 2024	REQ-0005190		Contact energy phasing out low user rates
12 November 2024	REQ-0005223		Vector and LV cables
29 November 2024	REQ-0005170		Visit to Glenbrook steelworks

5. Ministerial Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
29 October 2024	REQ-0004066	Privacy of natural persons	Copies of briefings	Scoping	Scott Russell
29 October 2024	REQ-0002881		All communication between the minister's office and Winstone Pulp International since the beginning of August. All other communications about the potential closure of Winstone Pulp's two mills in the Ruapehu District in this time. And reports or draft reports held by the minister into this issue.	Scoping	Stephen Tat
29 October 2024	REQ-0004864		Under the OIA I request copies of all correspondence, including but not limited to emails, text messages, and any other form of communication, with John Carnegie and the Minister and/or any staff member of the Ministers office since 5 September 2024.	Refusal	Dominic Kebbell
29 October 2024	REQ-0003170		Conversations, texts, emails, advice on what the government was considering	Drafting	Stephen Tat

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
		Privacy of natural persons	in terms of intervention for the mills run by Winstone International.		
1 November 2024	REQ-0005050		Copies of documents	Scoping	Stephen Tat
1 November 2024	REQ-0004233		Correspondence of various energy topics.	Initiation	Scott Russell
6 November 2024	REQ-0005229		Correspondence in the last year relating to fuel used on marine vessels	Scoping	Dominic Kebbell
6 November 2024	REQ-0005207		Correspondence Budget 2024	Initiation	Hannah Keat
8 November 2024	REQ-0005285		Copies of documents	Initiation	Dominic Kebbell

6. Departmental Official Information Act Requests

Due date to the office	Tracking number	Requester	Summary of request	Status	Sign Out Manager
1 November 2024	REQ-0004686	Privacy of natural	Received any recent information from industrial users of gas - including, but not limited to, wood processors and driers - about the energy situation, and if so supply me with copies? I am particularly interested in the gas situation this year and next year. Clarified on 3 October to people expressing concern about their gas supply.	Initiation	Dominic Kebbell
13 November 2024	REQ-0005191	Privacy of natural persons	Copies of documents	Initiation	Dominic Kebbell

7. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government